

Message Text

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72

ACTION XMB-07

INFO OCT-01 ARA-11 ADP-00 AID-20 CIAE-00 COME-00 EB-11

FRB-02 INR-09 NSAE-00 RSC-01 TRSE-00 OPIC-12 CIEP-02

LAB-06 SIL-01 SAL-01 OMB-01 PA-03 PRS-01 USIA-12

RSR-01 INRE-00 /102 W

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P 092100 Z MAR 73

FM AMEMBASSY BUENOS AIRES

TO SECSTATE WASHDC PRIORITY 1221

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PASS EXIMBANK FOR CORETTE & CULBERTSON, OFFICE OF GENERAL COUNSEL

E. O. 11652 N/A

TAGS: EFIN, ETRD, AR

SUBJECT: EXIMBANK CREDITS GOA ASSURANCES CONCERNING REPAYMENT

1. ECOM COUNSELOR ADVISED BY DANTE SIMONE DURING AFTERNOON MAR 9 THAT MINISTER WEHBE HAS INDICATED HE APPROVES AND WILL FURNISH LETTERS CONCERNING GOA/ MINISTRY OF FINANCE GUARANTEES ON PROJECTS WHICH INVOLVE EXIMBANK CREDITS COVERING PUBLIC SECTOR PROJECTS IN ARGENTINA AS PER DRAFT LETTER DISCUSSED WITH SIMONE ON MAR 2 (DRAFT LETTER #4 CARRIED BY CULBERTSON ON DEPARTURE FROM BA). SIMONE FURTHER STATED NOTE OR MEMORANDUM SIGNED BY MINISTER INDICATING ABOVE HAD BEEN DISPATCHED TO EMBASSY.

2. EMBASSY PLEASED THAT PROBLEM INVOLVING ADEQUATE GOA ASSURANCES CONCERNING REPAYMENT EXIMBANK CREDITS NOW APPEARS SOLVED REGARDING PUBLIC SECTOR BORROWING. WE WILL ADVISE PROMPTLY UPON RECEIPT WRITTEN NOTICE FROM MINISTRY AND WILL FORWARD WRITTEN NOTICE ASAP.

3. EMBASSY UNDERSTANDS THAT IT IS INTENTION OF MINISTRY OF FINANCE NOT RPT NOT TO EXTEND ITS GUARANTEE FOR CREDITS IN PRIVATE
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SECTOR WHEN ARGENTINE FIRMS USE EXIM FACILITIES.
MINISTER HAS CLEARLY INDICATED THAT DEPARTURE FROM
THIS RULE WILL BE EXCEPTIONAL CASE, PERHAPS LIMITED TO MIXED
GOVERNMENT/ PRIVATE ENTERPRISES, AND THAT ONLY WHEN HIGH ARGENTINE
NATIONAL PRIORITIES INVOLVED WILL EXCEPTION BE MADE. WE BELIEVE
EXIM OFFICIALS UNDERSTAND THIS ARGENTINE/ GOA VIEW AND THAT IN
CASES OF SMALL OR MEDIUM- SIZED PRIVATE SECTOR CREDITS EXIMBANK
IS PREPARED ACCEPT OFFICIAL ARGENTINE BANK GUARANTEE GIVEN BY BANCO
DE

DESARROLLO, BANCO DE LA NACION OR BANCO DE LA PROVINCIA DE
BUENOS AIRES, WITHOUT COUNTERGUARANTEE BY MINISTRY OF FINANCE.
WE FURTHER UNDERSTAND THAT EXIMBANK IS RESERVING, AT ITS
DISCRETION, INTENT TO REQUEST MINISTRY OF FINANCE GUARANTEE FOR
LARGE LOANS ALTHOUGH BORROWER MAY BE IN PRIVATE SECTOR IN
ARGENTINA. PLEASE CONFIRM EMBASSY' S UNDERSTANDING PRESENT
EXIMBANK POLICY ON THIS POINT SO THAT EMBASSY MAY HAVE PROPER
GUIDANCE WHEN DEALING WITH IMPORTANT US SUPPLIERS OR POSSIBLE
ARGENTINE BORROWERS.

4. EMBASSY WILL APPRECIATE ANY INFORMATION EXIMBANK CAN PROVIDE
CONCERNING PRESENT STATUS, UNCOMPLETED REQUIREMENTS, AND POLICY
DECISIONS CONCERNING CFF LENDING TO BANCO CENTRAL AND LLOYDS AND
BOLSA. DECON FOLLOWING 3/9/74
LODGE

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*** Current Handling Restrictions *** n/a

*** Current Classification *** LIMITED OFFICIAL USE

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